

Cabinet Job Affords Jesse Jones Chance for Still Larger Service

Head of 'World's Greatest Lending Agency'
Becomes No. 1 Businessman of New Deal
in Commerce Post

By Oliver McKee.

In Jesse Holman Jones, who was sworn in as Secretary of Commerce on Thursday, the Commerce Department has as its new head a man who probably knows more about business and the problems and points of view of American businessmen today than any other high official in the Roosevelt administration.

In Texas, long before he became a national figure, Mr. Jones had demonstrated his business acumen through the promotion of scores of successful enterprises.

From 1933 to 1939, as chairman of the Reconstruction Finance Corp., he directed the disbursement of more than \$10,000,000,000 in loans to banks, railroads and industry. In supervising these lending operations, he exercised a potent influence on the economic life of the United States, and obtained a knowledge of business conditions throughout the country which has made him the envy of his New Deal colleagues.

Texas' Eyes on Him Early.

Emerging from the panic of 1907 as Jesse Jones, the builder, he was already known as one of the big men of Texas. His vision and dynamic energy were a leading factor in the development of Houston into a metropolis with a population of nearly 400,000. In Houston he owns several score buildings, including the Rice Hotel, several theaters, a newspaper and a couple of radio stations. He has a large stake in many other business enterprises, both in Houston and other Texas cities.

In 1924, when the fortunes of the Democratic party in national politics were at a low ebb, Mr. Jones became finance director of the Democratic campaign. Four years later he landed the Democratic nomination for Houston, an achievement that almost overnight catapulted him into the national scene. As the party's standard bearer, the convention nominated Alfred E. Smith of New York. In the 1928 campaign he served as chairman of the National Committee's Advisory Finance Committee.

As part of his counter-offensive against the depression, President Hoover, in 1932, decided to revive the War Finance Corp. in the form of the Reconstruction Finance Corp. In picking members of the R. F. C. board it was necessary for Mr. Hoover to consult the leaders of the Democratic party in Congress. One of these was John N. Garner, then Speaker of the House. Mr. Hoover submitted a list of five men to Mr. Garner and asked him to indicate his choice. The name of Jesse Jones was last on the list. Mr. Garner said, "Mr. President, that's a kangaroo list." "What do you mean?" Mr. Hoover replied. "Because all its strength is in its hindquarters." Jesse Jones received the appointment.

Biggest Lender in History.

In 1933, after Franklin D. Roosevelt became President, the R. F. C. was expanded, its functions broadened and Jesse Jones appointed chairman. Since its establishment eight years ago, the R. F. C. has exerted a far-reaching influence on the economic development of the United States. It has loaned money to a wide variety of borrowers—from banks and railroads to small business firms and sharecroppers. In addition to more than \$10,000,000,000 loaned to private borrowers, the R. F. C. has allocated approximately \$3,000,000,000 to various Government agencies.

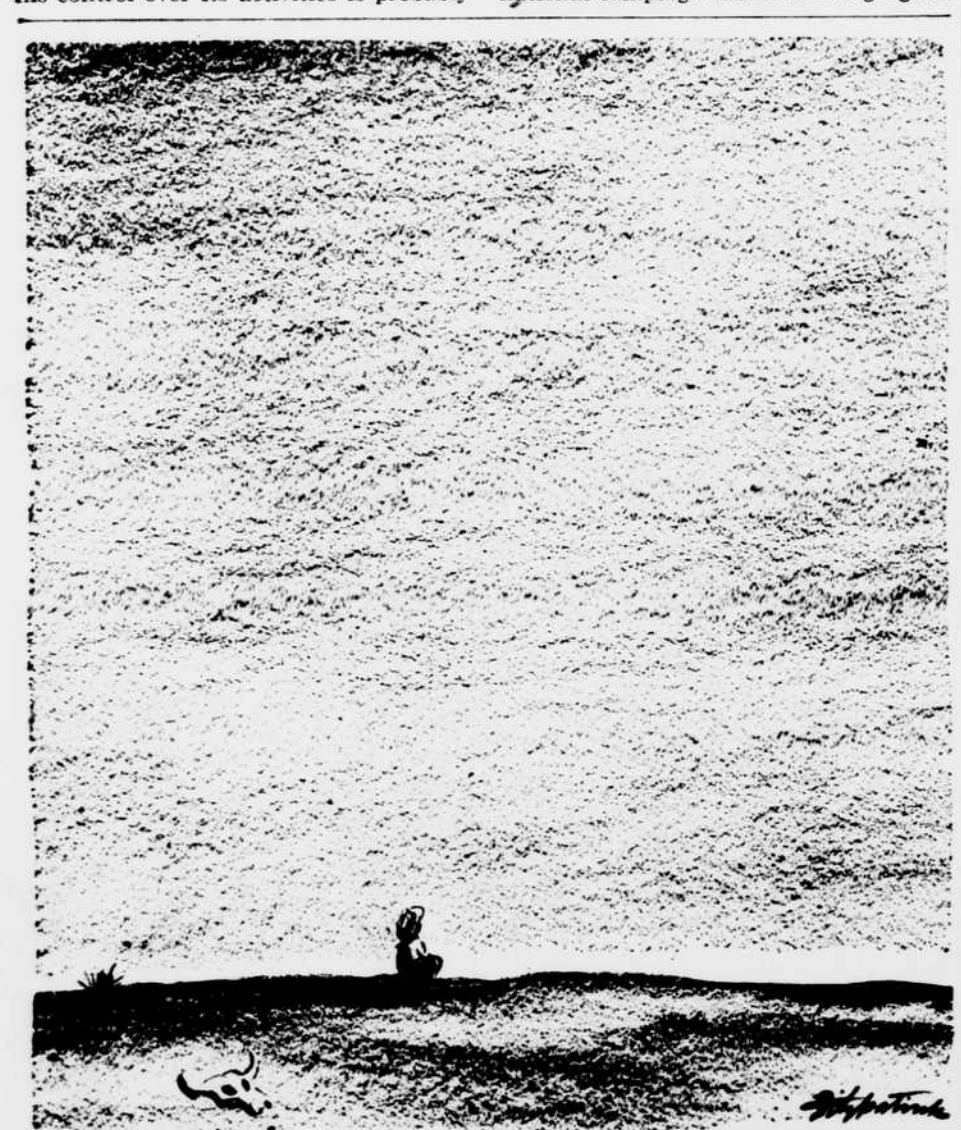
In the magnitude and diversity of its operations, it probably ranks as the greatest money lender in history.

Few Government agencies have been as successful, and few have been less criticized. Republicans and anti-New Dealers usually have a good word for the R. F. C. Of the money loaned up to the present, approximately 76 per cent has already been repaid. "Bad" loans—those on which there is little hope of repayment—amount to about \$100,000,000, a small percentage compared with total disbursements. According to its officials, the R. F. C., after deducting bad loans and other expenses, has earned about \$175,000,000.

Despite the long hours and the heavy responsibilities, Mr. Jones has thoroughly enjoyed his job as Uncle Sam's No. 1 lender. As Secretary of Commerce he will continue as Federal Loan Administrator. It was on this condition he accepted a place in the cabinet.

Has Big Defense Role.

With the reorganization of governmental agencies last year Mr. Jones became head of the new Federal Loan Agency. He is still a member of the board of directors of the R. F. C., and his control over its activities is probably



The Vice President Also Seems Too Busy to Debate.

President's War Powers Grow

There's Plenty of Precedent for a Strong Hand

By Raymond P. Brandt.

WHEN demoralized France on June 17 asked for a separate peace with Nazi Germany, Senator Pepper, the ardent New Dealer from Florida, presented to the Senate a seven-point armament program under which Congress, as the first provision, would have conferred on the President "full war-time power to prepare and defend America."

The speech caused virtually no comment, but on August 14, when Senator Pepper elaborated his ideas, he was engaged in a long extemporaneous debate which brought out the sharply conflicting views of legislators regarding the extent of executive powers in peace and war and the checks and lack of checks on them by the Constitution, Congress and the courts.

The trend of the debate was against any general delegation of extraordinary power to the President at that time, yet within less than three weeks President Roosevelt, fortified with an opinion by Attorney General Jackson, concluded with Great Britain the exchange of American destroyers for Atlantic naval and air bases without first informing Congress of the negotiations or subsequently asking its approval.

Precedent in Louisiana Purchase.

The President's Louisiana Purchase for his action in the purchase of Louisiana by Thomas Jefferson in 1803, when the United States was at peace. The President's action has caused legislators and students of governmental theory and practice to search for other precedents which the President might use in the next few months and perhaps the next few years.

The domain of executive power in war has been called "a dark continent in its jurisprudence, the boundaries of which are undetermined." The same might be said of the peacetime powers when the President acts as Commander in Chief of the Army and Navy. Lincoln, Cleveland, Theodore Roosevelt and Woodrow Wilson exercised these vast powers as part of their military duties and as officials responsible for the conduct of international affairs.

The extent of these powers is even more shadowy today because of the indefinite status of the United States. While this country is nominally neutral in the European and Asiatic wars, the overwhelming sentiments of the administration and the citizens are against Germany and Japan. Unofficially this status has been described as "non-belligerent" and there are some who contend that we have already committed "acts of war" against Germany. Furthermore, there are others, including members of Congress and executive officials, who believe that war is "imminent" and that we are in or are approaching an "emergency," both technical words involving the President's war power.

Reassured Canada in 1937.

As part of the neutrality program, the President on September 8, 1939, proclaimed a "limited emergency," which he said called for "the exercise of only a limited number of the powers granted in a national emergency." Since that time Congress has voted the greatest national defense appropriations in our history, authorized the President to mobilize the National Guard and empowered the President for the first time in peace to conscript men and industry—the latter under specified conditions—for the national defense. Without asking consent of Congress, Mr. Roosevelt has negotiated the destroyer-naval base transfer and has agreed with Prime Minister King of Canada on a permanent joint board of defense for the neighboring countries. As early as 1937 he assured the Canadians that this country would not stand idly by if the dominion were invaded.

The Constitution is the principal source of the direct or implied powers which the President may exercise without reference to Congress. The direct war power is contained in a provision which makes the President the Commander in Chief of the Army and Navy. The implied powers are derived from the general grant of authority "to take care that the laws be carefully executed" and to "preserve, protect and defend the Constitution of the United States." There is further implied power in the stipulation that "the United States shall guarantee to every State in this Union a republican form of government and shall protect each of them from invasion."

Could Close Radio Stations.

The other source of executive power is the statutory delegation by Congress. Such delegations are already contained in many laws enacted during the past seven and a half years and only require that the President shall proclaim a "national emergency" to bring them into force. Other emergency powers date back to the last war and some are older than that. Under the Federal Communications Act of 1934, the President, upon the proclaiming the existence of war, a threat of war or other great national emergency, or in order to preserve the neutrality of the United States, may close any radio station or take over such station for use by the Government. The Merchant Marine Act of 1936 authorized the Maritime Commission to requisition merchant vessels in any national emergency declared by the President.

The "limited emergency" was proclaimed because a 1906 statute required that appropriations be apportioned through fiscal years. Such apportionments could be disregarded, the statute provided, "upon the happening of some extraordinary emergency or unusual circumstance" which could not have been anticipated at the time of the apportionment. Under this exception, the President increased the personnel of the Army, Navy, Marine Corps and National Guard, although the funds for their maintenance had to be taken from other appropriations. This session of Congress in effect approved the President's action.

President Can Cause War.

Under the Constitution, Congress alone is authorized to declare war, but as former Representative Clarence Dill, later a Senator from Washington, told the House in 1919:

"History shows that while Congress does possess that power, in reality the President exercises it. Congress has always declared war when the President desired war and Congress has never attempted to declare war unless the President wanted war."



PRESIDENT ROOSEVELT.

He is shown signing the historic draft bill.

—A. P. Photo.

Mr. Dill might also have recounted that the recognition of other countries that the President in reality can force Congress to declare war has vastly strengthened the President's hand in conducting international affairs.

In 1895 Cleveland threatened Great Britain with war in defense of the Monroe Doctrine should Britain refuse to arbitrate a boundary dispute involving Venezuela and British Guiana. Both houses of Congress unanimously supported the President by voting an appropriation for an investigating commission. The dispute was arbitrated before the commission reported.

In 1902 Theodore Roosevelt called the bluff of the German Emperor when he suspected Wilhelm II planned to establish a naval base in Venezuela. He threatened to send part of the fleet to defend the Monroe Doctrine, and the Kaiser recalled his Ambassador who had failed to warn him that the President had meant what he said. In 1907, against the advice of high ranking naval officers, he sent the fleet around the world, with the primary purpose of impressing Japan. The trip had the desired effect.

Wilson Used Force, Too.

President Wilson, both in peace and in war, exercised his powers as Commander in Chief with restraint. He had the Navy bombard and occupy Vera Cruz, and he sent Pershing into Mexico to catch Villa. On these affairs he kept Congress fully informed. Before the United States entered the World War, he asked Congress in February, 1917, for authority to arm merchant ships. In his message he stated that he had no doubt that he had this authority "by the plain implication of my constitutional duties and powers," but that he preferred not to act "upon general implication."

When a Senate filibuster by a small group of "wild men" defeated his request, the White House announced that the ships would be armed without congressional authorization.

After the declaration of war, Wilson relied both on his constitutional powers as Commander in Chief and on statutory delegations of power. Under the former power he created the Committee on Public Information which imposed a voluntary news censorship and a month later appointed Herbert Hoover food administrator with vast powers. By executive order of May 28, 1918, he formally established the War Industries Board "as a separate administrative agency to act under my direction." This board, although not authorized by statutory law, was able to exert great control over industry because behind its "requests" stood the President's power to commandeer factories or withhold fuel and transportation facilities.

Draft Law Continues Powers.

A continuation of these latter powers is to be found in the 1940 conscription law and the recently announced set of principles of the National Defense Advisory Commission.

Wilson showed far greater respect for the Constitution, Congress and the courts than did Lincoln, who conducted the war against the Confederacy on his power as Commander in Chief from the firing on Fort Sumter on April 12, 1861, until the special session of Congress which began July 4.

Lincoln let 11 weeks pass after Sumter before calling Congress into special session. During this time, although the Constitution gives Congress the exclusive power to raise and support armies, Lincoln issued a proclamation increasing the size of the Regular Army and Navy and calling for more than 80,000 volunteers. In addition, he ordered 19 vessels added to the Navy and directed the Secretary of the Treasury, regardless of the law, to advance \$2,000,000 of public money to three private citizens to pay for necessary requisitions.

Gave a Report to Congress.

When Congress convened July 4, Lincoln gave a full report of what he had done. He observed:

"These measures, whether strictly legal or not, were ventured upon under what appeared to be a popular demand and a public necessity, trusting them, as now, Congress would readily ratify them. It is believed that nothing has been done beyond the constitutional competency of Congress."

Before the special session adjourned, it passed a law providing "that all the acts, proclamations and orders of the President respecting the Army and Navy and calling out or relating to the militia or volunteers are hereby approved and in all respects made valid . . . as if they had been issued and done under the previous express authority and direction of Congress."

But Lincoln had not stopped at ignoring Congress. He felt that the Supreme Court had no authority to protect citizens from the military commissions by writs of habeas corpus, although the constitution provides relating to the suspension of habeas corpus appear in the article devoted to the legislative and not to the executive branch of govern-

ment. The most flagrant case became known as *Ex Parte Merryman*.

In this case a prominent Baltimorean had been arrested by the military and imprisoned at Fort McHenry. He obtained a writ of habeas corpus from Chief Justice Taney. The Army officer in charge refused to recognize the writ on the grounds that he was authorized by the President to suspend habeas corpus for the public safety. Justice Taney at once issued an attachment for contempt, but its service was prevented by the military. Thereupon, Justice Taney, by this time in fear of his life, fled an opinion holding the suspension of the writ by the President to be in violation of the Constitution and ordered the clerk of the court to transmit a copy of the opinion to the President. Lincoln ignored it.

Two years later the famous *Milligan* case was instituted on somewhat similar grounds. When it finally reached the Supreme Court, after Lincoln's assassination, the court unanimously held that war conditions did not grant unlimited powers to the President.

Milligan Case.

Lincoln's boldest use of his power as Commander in Chief was his issuance of the Emancipation Proclamation on September 22, 1862. It was strictly a military measure, calculated to deprive the enemy of a valuable resource, and accordingly applied only to regions in rebellion and not in slave States under Federal control. He did not even ask the advice of his cabinet before acting.

Congress always has recognized the war and emergency powers of the President, and while jealous of its own prerogatives, has followed the view of Chief Justice Hughes, expressed in 1917:

"War demands the highest degree of efficient organization, and Congress, in the nature of things, cannot prescribe many important details as it legislates for the purpose of meeting the exigencies of war."

It has been said by some persons, notably Prof. Herbert W. Briggs, professor of international law at Cornell University, that Congress, in the now famous law of June 28, 1940, intended to prevent the President from transferring naval and military equipment to Great Britain without prior knowledge of Congress.

Intent of Law.

A reading of the congressional debates and conversations with Senators do not support this view. Attorney General Jackson in his opinion for the President held that a June 15, 1917, statute did prevent the administration from selling 20 "mosquito boats" to Great Britain, but testimony before the Senate Naval Affairs Committee and subsequent debates indicate that the intent of the pertinent provisions of 1940 law was to untie the hands of the Army and Navy in disposing of obsolete and unused equipment.

The later history of the destroyer deal shows that the administration followed the 1940 law to the letter after the Attorney General's opinion had found an unsuspected loophole in the 1917 statute which seemingly prevented the transfer.

What will Senators Walsh of Massachusetts, Clark of Missouri, Wheeler of Montana, Nye of North Dakota, Holt of West Virginia and others do to prevent the release of the "mosquito boats," flying fortresses and pursuit planes should the President, as Commander in Chief, find that such releases are necessary to protect our States from invasion? Nothing, probably.

Their groups in the Senate and House lack the votes to write an affirmative check on the President's undefined powers, and they are afraid to make a parliamentary move denouncing the destroyer transaction because their defeat would be called an indirect but public endorsement of the Roosevelt-Churchill negotiations.

Brown

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the Indian Ocean, but the main quantities still arrive from Canada and the United States by way of the Atlantic.

The British Army in Egypt is known to lack tanks. Recent conversations between Ottawa and Washington concerning the sale of outmoded, slow, light tanks to Canada is viewed with suspicion in Rome. Mussolini is said to believe that such a transaction would liberate at least 200 Canadian tanks for service in the Near East, while obsolete American tanks would serve for training purposes in the Canadian Army. Despite all efforts of Italian submarines, destroyers and the sea force to prevent conveyed transports from reaching Alexandria or Port Said, the British Navy in the Mediterranean is still the dominating force in keeping the sea lanes open.

If Gibraltar is taken, all supplies for the army in Egypt will have to be re-routed via the Indian Ocean, and tanks which Italians suspect have already been sent from Canada will have difficulties in reaching Egypt. Altogether, Mussolini is reported far from happy over what is now termed the premature offensive of Marshal Graziani. The British forces are composed of British regulars, Australians and New Zealanders to a total of some 128,000 fighting men, to which must be added approximately 5,000 French foreign legionnaires. The services of supply are assured by the Egyptian Army, making this British Army exclusively a fighting force. The men are excellently trained metropolitan troops, all professional soldiers, and experienced desert-fighting Australians, who, raw when they arrived in Syria and Palestine last November, have now undergone intensive training and are now the equal in quality of any fighting force in the world. The Italians are numerically superior to the British by less than two to one—a proportion wholly insufficient when the British are on the defensive behind well-constructed trenches and strong natural defenses.

If Britain could be brought to her knees in a short time, the task of Marshal Graziani would be comparatively easy. But so long as England still resists and the Germans confine their military activities to air and artillery offensives, Graziani will find it a difficult task to break the resistance of the Britishers in Egypt. The attack on Gibraltar is therefore considered by the German-Italian high command to be now of paramount importance for strategic reasons and for its effect on the morale of the home front in Italy.

Willkie Guides Own Campaign With Little Heed to Advisers

Candidate, on Cross-Country Tour, Cuts Loose
From Old Devices and Old
Political Axioms

By Marquis W. Childs.

ABOARD WILLKIE SPECIAL TRAIN. Sept. 21.—Wendell L. Willkie is running his own campaign in his own way, setting his own pace—and a strenuous pace it is, too—from his private quarters at the rear of this campaign train. He is ignoring the old political axioms, scorning the customary campaign devices and hitting out in his own fashion.

There are both advantages and disadvantages in thus cutting loose from the past. Mr. Willkie's objective apparently is to travel fast, unencumbered by the old political tags and labels, the familiar hallmarks that he believes people are now disillusioned with.

His campaign in the course of this cross-country junket, has had little relation to the Republican party. As no campaign in recent times, Mr. Willkie has made it a personal crusade. In the Southwest, where the candidate spoke to large crowds, they refer to Willkie supporters as Willkiecrats. The term Willkiecrats might well supplant Republican in this remarkable presidential race.

Willkie Still Unpredictable.

Mr. Willkie has had a great deal to learn about campaign technique. While he has been learning fast by the hard way of experience, he is still unpredictable. It was difficult to believe that the Willkie whose oratorical punches swung so wild in Illinois and Iowa was the same man who extemporized with such skill and ease before a huge crowd at Tulsa, Okla. It may be merely that he has needed experience to gain facility—to acquire, above all, a sense of timing and a knowledge of when to stop—a sense of control.

Once again President Roosevelt's superb mastery of campaign technique is seen in contrast to the beginning efforts of a challenger. Four years ago Alf Landon was surrounded by speech writers, radio experts, voice coaches. After prolonged grooming he would approach a battery of microphones with all the eagerness of a man on his way to the dentist's chair for extraction of a wisdom tooth.

Mr. Willkie rushes at the mike with the zeal of a Notre Dame tackle. He is inclined to yell into it as though it were the ear trumpet of a deaf old lady. He is carried away with the flow of his own oratory, the reaction that he draws from the crowd. To the intense concern of his radio advisers he ran 25 minutes over his allotted time at Coffeyville. This was after he had been warned that his prepared speech was too long.

Promises Many Jobs.

At Tulsa he had the big crowd with him with a broad, smoothly phrased appeal. Then, abruptly, he dropped in reference to two or three specific issues. You could feel crowd attention drop. Mr. Willkie censored it. Having denounced Government control of agriculture, he came back toward a general conclusion with this impassioned flight of oratory, his hands upraised in appeal:

"I do not have time to discuss with you tonight the many ways, but it is so simple, take their heavy hands off us! Take the poisonous withering hands of politics out of our private lives and our businesses, and this country will prosper, and the 9,600,000 unemployed will disappear like mist before the morning sun."

From the rear platform of his train he has cried out to crowds gathered to hear him:

"I can give you jobs—jobs—jobs—in private enterprise."

A comparison with Huey Long is not without some relevance. Mr. Willkie, as was true of the Louisiana Kingfish, has obviously a strong belief in his personal destiny, a belief in his luck. His confidence in victory in November has not been touched by reports of a slump in Willkie sentiment and the downward trend of the polls. Mr. Willkie speaks of his campaign as a crusade and this is no mere oratorical device with him. He asks audiences to join him in his crusade.

Has Scored for Roosevelt.

Mr. Willkie has real, scorn for the President's radio perfection. He was told in Rushville, Ind., long before the start of this first campaign swing, that he would have to work on his voice technique. He replied that he had no intention of doing anything about his voice. That was a bit of silly affectation. He didn't want to be a radio crooner with a Harvard lilt. People would know that

he was speaking out of the sincerity of his heart and mind.

The Willkie build-up at the time of the nomination in Philadelphia was such as to make the candidate appear to be a superman, a wonder worker with the vision of a prophet and the glamour of Clark Gable. Such a background was inevitably a handicap. The Elwood acceptance speech was a letdown. If his voice failed at the outset of his first national tour, then the legend of the superman would be seriously impaired.

Has Technique of His Own.

But if Mr. Willkie scorns the Roosevelt tricks, he is nevertheless demonstrating that he has an increasingly skillful technique of his own. He can give and take with a crowd as a Herbert Hoover or an Alf Landon never could. He loves the whole experience. That is an advantage he shares with Mr. Roosevelt. The sight of a crowd is meat and drink to Mr. Willkie.

In a sense, he is as much of a showman as Mr. Roosevelt, but their styles, as their temperaments, are entirely different. Mr. Willkie's act is his own. "I—Wendell Willkie—I'm doing this," he says in effect. Naturally this limits his range. Mr. Roosevelt has far more of empathy, a word in the actor's vocabulary meaning the capacity to project oneself into another character, to think and feel as another person would think and feel. Campaigning, Mr. Roosevelt projects himself into the feelings of his audience whether it is on the plains of Texas or in a New England mill town. It was what he did across the country in 1938, a tour which now appears to have been pointed directly at 1940 and the third term.

Reluctant to Take Advice.

Going it on his own, Mr. Willkie is reluctant to take advice from the aids who are accompanying him on this trip. It is doubtful if a candidate ever had such an anomalous group of men around him. Most of them are amateurs with a passionate devotion to the Willkie cause. Representative Halleck, one of the few politicians close to Mr. Willkie, is accompanying him on this cross-country jaunt.

Russell Davenport, who resigned the editorship of *Fortune* magazine to help in the campaign, and the candidate's brother, Ed, have more influence with Mr. Willkie than any one else around him. Intensely serious, convinced that only Mr. Willkie can save the country from catastrophe, Mr. Davenport is constantly at hand. While he may not actually write speeches for the strong-willed Willkie, his editorial skill has been of great value. Distrusting politicians, Mr. Davenport believes that his man can win through a forthright, all-out, come-look-see campaign. One of the very earliest discoverers of Mr. Willkie's political capacities, he has the confidence of the candidate.

One of Mr. Willkie's campaign assets is his wife. With a friendly smile she takes the bow that is accorded her at virtually every stop. In response to the questions of woman interviewers—she gives tactful replies with just the right note of praise for her husband. When each new bale of roses or orchids is handed up to her she manages to look as agreeably surprised as though she hadn't seen a flower for months.

Has Excellent Radio Advisers.

Mr. Willkie has excellent radio advisers on the train. One is T. Wells Church, chairman of the Republican Committee on Radio, the other Walter O'Keefe, star of the stage and the radio networks who heads the G. O. P. Committee on Entertainment. Both of these have been acutely worried about Mr. Willkie's radio appearances. They feel that he is beginning to perfect his own radio style, having learned from the misfortunes of the first two or three days. Above all, he is bringing himself to make use of amplifying devices to save his own voice. What has been described as his Billy Sunday approach is being smoothed down. It is customary for the candidate to end each talk with a fervent, "God bless you and keep you!"

Just how many votes will come out of this road tour only a psychic poll-taker could determine. Devoted Willkiecrats on the train are enormously pleased by the crowds that have turned out and the response of those crowds. As many another campaign has proved, however, particularly Al Smith's tumultuous campaign of 1928, crowds mean very little.

It is a big day in the life of any town when a candidate rides through. The political circus is free.

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Turn Around So I Can See Your Face!